



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Jorge Gomez, Commissioner

Wisconsin.gov

Local Government Property Insurance Fund

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May 17, 2005

Dear Policyholder:

The Local Government Property Insurance Fund is pleased to inform you of upcoming rate reductions. The Commissioner of Insurance accepted the rating recommendations made by the Fund's Advisory and Oversight Committees using analysis provided by the Fund's actuaries. These rate reductions, with implementation dates, are as follows:

Effective July 1, 2005 for new or renewal business:

- Monies and Securities Coverage rates will be reduced by 13.2%.
- Automobile Physical Damage rates will be reduced by 7.6%.
- Inland Marine rates for policyholders with "D" (new) or "C" (Coinsurance) policies will be reduced by 12.9%. Please note the Valuation "V" policy already includes inland marine coverage at no extra charge.
- Building and contents rates for first year new business will be reduced 50% for townships and 35% for all other entities. The subsequent renewal policy for each entity will use a rate specifically developed for that particular entity by the Insurance Services Office (ISO). ISO is a national rate service bureau used by the Fund for rating purposes.

Effective December 1, 2005 for business renewing over the ensuing 12 months:

- For building and contents rates the Fund will be adopting ISO experience loss adjustments that will result in a projected 16% overall reduction in the rate, on average. Not every policyholder will experience a 16% reduction; some may be higher, others lower. The rate adjustments vary based on the location of the risk, the type of entity and other factors used by ISO.

If you have any questions on the above, please contact Lowell Carter or Sue Hoffman at 1-877-229-0009.

Sincerely,

Dan Bubolz

Danford C. Bubolz, CPCU
Insurance Program Officer
Local Government Property Insurance Fund